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# PROBABLE DEVELOPMENTS IN EASTERN GERMANY BY THE END OF 1951



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## PROBABLE DEVELOPMENTS IN EASTERN GERMANY BY THE END OF 1951

### SUMMARY

In the next eighteen months Communist control over the economic and political life of the German Democratic Republic (GDR) will be considerably strengthened and consolidated. Formalization of the present "provisional" regime in Eastern Germany will follow the October 1950 election. Soviet control will not be materially affected by this action or by the granting of "sovereignty" to the GDR.

East German security forces, comprising regular, secret, and paramilitary police, will have their functions, capabilities, and personnel expanded in 1951. An air element probably will be added to the ground and maritime paramilitary forces. The paramilitary forces will develop either into an elite internal security force of the MVD type or into a bona fide East Germany army. In either event, they will constitute a potential threat to West Germany and a more immediate threat to

West Berlin. Soviet occupation forces will not be withdrawn.

Economically as well as militarily, the GDR will be in a better position to threaten the western Allied position in Berlin and to withstand any countermeasures short of war that may be taken by the Western Powers. The USSR, however, is unlikely to impose a full land, air, and water blockade of the city in 1951. Although reimposition of a blockade of the 1948 variety is a continuing possibility, it, too, is considered unlikely.

Improvement in East German economic conditions and closer economic ties with Eastern Europe will make the GDR less dependent upon the West for items necessary to its industrial rehabilitation. Items produced in West Germany which are actually needed by the GDR or those which contribute to the Soviet war potential will, however, continue to be obtained from West Germany either through legal or, if necessary, illegal trade.

Note: The intelligence organizations of the Departments of the Army, Navy, and the Air Force have concurred in this report; see Enclosure A for dissent of the Intelligence Organization of the Department of State. The paper contains information available to CIA as of 8 September 1950.

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## PROBABLE DEVELOPMENTS IN EASTERN GERMANY BY THE END OF 1951

### I. Political Developments

#### Soviet Policy.

The immediate Soviet objective in Germany is to make the German Democratic Republic (GDR) a reliable and effective instrument of Soviet policy. The USSR is therefore accelerating its efforts to transform the GDR into a "People's Democracy" and to integrate it into the Soviet Satellite orbit as an ostensibly equal member. The long-term Soviet objective in Germany is to bring all Germany under Soviet domination. To this end, the USSR will continue to use the GDR as the principal means for penetrating West Germany. Although no action short of direct military operations is likely to achieve Soviet domination of West Germany, the USSR and the GDR will try to create uncertainty and fear among the West Germans, particularly among the population of West Berlin, in order to undermine popular support of the German Federal Republic. Some German leaders may at times delude themselves with the hope that a neutral, unified Germany freed of Allied occupation would be acceptable to the USSR, but the ultimate Soviet goal will remain the establishment of a united Germany under an unequivocally pro-Soviet central government.

Unless the USSR is prepared to risk a general war with the West, it will not during 1951: (1) attack West Berlin either with its own or East German forces; or (2) impose a full air, water, land blockade. An air blockade of Berlin could not be effective unless the USSR resorted to military action against Allied aircraft, i.e., use of planes, anti-aircraft weapons, and radar jamming. Reimposition of a blockade of the 1948 variety, which included no serious interference in Allied air access to Berlin, while a continuing possibility, is nevertheless considered unlikely. The following factors will probably deter the USSR from this move: (1) it would substantially increase present international tension and thus increase the risk of a global war; (2) it would accelerate the rate of US and Western rearmament; and (3)

current Berlin food and fuel reserves, augmented by an immediate token Allied airlift, would make the early success of a blockade impossible and its ultimate success far from certain. Periodic harassment of West Berlin communications, short of measures forcing the US to reinstitute an airlift, will, however, continue.

#### GDR Foreign Relations.

In an effort to strengthen its claim to be the legitimate government of all Germany, the GDR will continue to refuse to recognize the legitimacy of the West German government. This refusal will not prevent GDR authorities from negotiating with Federal Republic officials on such questions as interzonal trade. The principal activities of the GDR in relation to West Germany will continue to be the exploitation of unsatisfactory West German conditions and the encouragement of West German elements who oppose the policies of the Federal Republic and the Western Powers. Meanwhile, the integration of the GDR into the satellite system will be pressed in order to increase the strength and homogeneity of that system.

#### GDR "Sovereignty."

Although the GDR will continue to receive periodic Soviet concessions leading to ostensible sovereignty, Soviet control will not diminish in effectiveness. The change in the international status of the GDR will proceed along these lines: (1) the present "provisional" government will be formalized following zonal elections scheduled for 15 October 1950; (2) some form of peace settlement will be concluded between the USSR and GDR; (3) East German diplomatic, economic, and cultural integration into the Soviet Satellite system will proceed along the lines already laid down in recent German agreements with Poland and Czechoslovakia; and (4) the overt Soviet controls now exercised by the Soviet Control Commission will be reduced or even eliminated, and direct functional lines of com-

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mand from Moscow to the GDR Ministry of State Security will be strengthened.

#### Political Control.

In its effort to make the GDR a thoroughly reliable Soviet instrument, the USSR will push the GDR further on the path toward the single-party state. This progress will be effected through: (1) continued strengthening of the Socialist Unity Party (SED) as the organ of direct Communist control; (2) increased use of Communist mass organizations and cover parties for recruitment and coordination of the politically immature and inactive; and (3) neutralization or elimination of resistance elements, active or potential.

In order to strengthen the administration, an increasing proportion of the important political and economic posts in the government will be held by persons considered reliable by the SED and loyal to the USSR. An effort will be made to attract the Free German Youth and industrial and agricultural workers into the ranks of the administration.

The SED will become a more effective organization than it has been because of the gradually rising percentage of vigorous and enthusiastic younger Communists among its members. Concurrently, unreliable elements, such as those of middle-class background, former members of the SPD, and deviationists from Communist orthodoxy, will be relentlessly eliminated from the party and from public function.

A welter of mass organizations and cover parties will be used to cozen the majority of the East German population, who are not active either in support of or in opposition to the Communist regime in the GDR, into supporting the SED program. In addition to the Free German Youth, the Free German Trade Union Federation, and the Farmers Mutual Aid Association—all of which organize special groups among the population—the National Front will continue to furnish an all-inclusive organization for the population as a whole. The committees of the National Front will be used both to exercise supervision and control over all inhabitants of the Soviet Zone and to provide ready propaganda support for actions of the GDR. The SED-sponsored National Democratic Party and Democratic German

Farmers Party will also attempt to increase their hitherto limited success with non-Communists. The appeal of the SED-controlled mass organizations will be heightened by extending the system of privileges connected with membership. Conversely, it will be made increasingly difficult for East Germans to avoid participation in one or more of the mass organizations without risking serious political and economic discrimination.

The neutralization or elimination of potential resistance will largely be accomplished through the continued strengthening of East German security forces and the special Ministry of State Security in the GDR. This system will be capable of coping with any internal security threat. As a consequence, no serious threat or open opposition is likely even though widespread passive dissatisfaction with the present government will probably persist. This dissatisfaction will be gradually reduced as periodic improvements in the prices and supply of food and consumer goods occur. Resistance to the SED will also be neutralized by increasing the power of leaders who unreservedly support and obey the SED, as well as by eliminating those opposed to the present regime or to its policies. This process, already well under way in the case of the two bourgeois parties, the Christian Democratic Union and Liberal Democratic Party, will be completed during the coming year. The Catholic and Protestant Churches will remain the most important centers of passive resistance to the regime despite efforts by the GDR to curtail Church influence and encourage closer clerical adherence to the political line of the SED. Both the GDR and the Protestant Church, to which the great majority of East Germans belong, will be reluctant to risk a complete break in church-state relations.

## II. Economic Developments

### Industrial Production.

Industrial production in the Soviet Zone, which is estimated to be at present a little over 80 percent of the 1936 figure, may regain the 1936 production level by the end of 1951. This figure may be bettered somewhat, depending upon whether or not the GDR ob-

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tains from Western Germany a sufficient volume of items in critically short supply. Although the USSR will continue its systematic exploitation of the zonal economy for the benefit of the Soviet war potential, formal reparations and occupation charges may be reduced by the USSR, and more Soviet-owned corporations may be returned to the GDR. However, it is difficult to determine the real benefit, because of the involved pricing system and the unreliability of production data. At the same time, the Soviet Zone will receive needed imports through expanded trade with the USSR and the Satellite area, as well as from legal and clandestine trade with West Germany. Therefore, expansion in the major industries, particularly precision instruments, steel, and, to a certain extent, chemicals, seems assured, and the economy will be strengthened in proportion. Effective border controls to curtail interzonal smuggling would probably only retard, not stop, this development.

#### Transportation.

Transportation will remain one of the principal weaknesses because of Soviet neglect of both railroads and highways, but some improvement will result from the greater availability of materials for repair and reconstruction. Efficient operation will continue to be handicapped by the unsatisfactory condition of both rolling stock and roadbed. Completion of the projected double-tracking of 2,002 miles of East-West main lines between the Polish frontier and Western Germany will, however, increase both the economic and military potential of the Zone. Baltic port facilities will be expanded to handle a greater volume of traffic in 1951. The stock of 68,000 serviceable freight cars and 3,000 locomotives, barely adequate for present needs, will not suffice for a greatly expanded economy as contemplated in the new Five-Year Plan. This problem will be aggravated by the Soviet practice of taking the limited amount of equipment manufactured in Eastern Germany as reparations, thus forcing Soviet Zone railroads to continue to rely on West Germany for parts and equipment.

#### Living Standard.

Private consumption per capita in the GDR, now at nearly 70 percent of the 1936 level as compared to the 95 percent figure in West Germany, will rise about ten percent, with some reduction in popular dislike of the present regime, as more consumer goods are made available in the state-owned stores. Soviet requisitions, high prices, and arbitrary manipulation of foreign trade will tend to retard progress in this direction. Consequently, the standard of living in the Soviet Zone will remain considerably below that of West Germany. As the standard of living and civilian morale rise, however, the GDR will press forward more vigorously with its German reunification campaign in the hope of overcoming Western German resistance to the idea of closer association with a Communist-managed state economy. Private enterprises, accounting at present for about 30 percent of total output, will be progressively restricted but not entirely eliminated as long as the GDR supports the idea of peaceful reunification.

#### Agriculture.

Agricultural production has shown a slower rate of progress in the Soviet Zone than has industry, although agricultural conditions at the time of occupation were considerably better than in industry. Shortages in fertilizer, farm machinery, and seed will probably be reduced within the next two years as the industrial picture brightens, with the result that the food situation for the general population should, at the end of 1951, be at about 90 percent of the 1936 level. The 1949 grain crop was 5.1 million tons or 70 percent of that of 1936. With increased supplies of fertilizer, the 1951 figure should reach at least 6 million tons. Most foods, except meat and fats which will remain far below normal consumption levels, will probably be de-rationed, bringing a corresponding improvement in the morale of the East Germans and lessening the attraction for them of the availability of foodstuffs in West Germany and West Berlin. In view of the recurrent difficulties of agriculture, it is not likely that large-scale collectivization of farms will be enforced in 1951. Intensive in-

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doctrination of the rural population is carried on by the state through peasants' unions, farm cooperatives, tractor stations, and other mass-control media, but the lack of success of the collectivization that has been undertaken so far, chiefly involving estates formerly owned by the Reich or by Nazi war criminals, will discourage a widespread application of this principal in 1951.

#### Conclusion.

All indications point to an accelerated integration of the Soviet Zone economy into the economy of the Satellite orbit. As this process continues, the GDR will become less dependent upon the West for goods and materials. Trade relations between the GDR and the Satellite States are being continually strengthened, and those with the West are being progressively reduced as far as possible without interfering with the supply of critical items from the West. The impending admission of the GDR into the Satellite Council of Economic Mutual Assistance will hasten this development. The GDR will continue to act, however, as a channel for industrial equipment from West Germany to the Soviet bloc until such time as the latter has achieved a position of virtual industrial self-sufficiency, which is unlikely to occur by the end of 1951.

### III. Military Developments

East German security forces are being trained under the close supervision of Soviet officers and by the end of 1951 will be capable of maintaining effective internal control without assistance from Soviet occupation troops. Even in the event of a Soviet-GDR peace settlement, military factors preclude the withdrawal of the Soviet occupation forces (presently 355,000 army troops, 20,000 security troops, and 28,000 air force personnel) despite the propaganda advantages of such a move.

At present, East German security forces are divided into three major groups: (1) regular police; (2) secret political police; and (3) paramilitary police. Normal police functions are under the control of the Main Administration for People's Police. Police groups controlled by this organization number approximately 90,000 and include civil police,

criminal police, border police, transport police, and fire-fighting police. The most important element controlled by this organization—the Border Police—now numbers about 13,000 and is distributed in varying strengths throughout the five East German *Laender*, with a special formation of about 1,750 around Berlin. Although it is not yet capable of exercising its border control mission independently, the Border Police will have attained this capability by the end of 1951. At present, it is nominally responsible for all Soviet Zone border control except Allied traffic which is handled directly by Soviet forces.

The secret political police under the Ministry of State Security appears to follow the Soviet pattern. Its functions of political surveillance, espionage, and counter-espionage will be expanded and its personnel increased.

The paramilitary forces of the GDR currently include the Maritime Police (created in June 1950—strength unknown) and the Alert Police (ground force element with a total strength of approximately 50,000). It is probable that an air element will be activated by the end of 1951.

The Maritime Police are under the command of a "Main Administration for Maritime Police" (MAMP). The exact position of the MAMP in the GDR governmental structure is not known, but direct supervisory control is exercised by the Soviet Control Commission. The announced functions of the Maritime Police are the prevention of coastal smuggling, the protection of East German fishing vessels, and the escorting of foreign vessels in and out of East German ports. At least two maritime training schools have been identified but where MAMP units will be based is not yet known. MAMP equipment presently comprises at least 12 patrol craft from the former German navy. In addition, 20 newly designed patrol craft, at least 6 of which are scheduled for completion in 1950, are being built.

The more important element of GDR paramilitary forces is the Alert Police, under the command of the "Main Administration for Training" (MAT). The MAT nominally occupies a semi-autonomous position within the GDR governmental structure but actually is controlled by the Military Division of the Soviet Control Commission. No operational



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mission is known to have been assigned to the Alert Police. Its present activity, however, is confined to intensive military training. Of this force, 35,000 men are assigned to "Alert Units" (field units of battalion type organization including infantry, artillery, tank, signal and engineer units); the remaining 15,000 are distributed among 12 officer and NCO schools. MAT currently possesses sufficient Soviet equipment (76-mm, 122-mm, and 152-mm howitzers and T/34 tanks) for familiarization training but not enough for operational purposes. This deficiency could, however, be easily made up from Soviet stocks now in East Germany.

Although the ultimate mission of the Alert Police is not yet known, either of two possible developments can be expected by the end of 1951: (1) the force will become an elite internal security organization similar to the Soviet MVD or the Nazi SS and personnel strength probably will not be notably expanded; or (2) the force will become a bona fide East German army, probably supported ultimately by naval and air elements. This question will be resolved in part when the disposition of the 15,000 men currently completing training in the schools is known. These school trainees could be incorporated into the

existing alert units, replacing or augmenting the present unit personnel, or could be used as cadres for the activation of additional units or for the organization of higher tactical commands than now exist. It should be noted that Alert Police organizational structure would have to be expanded considerably before the force could be developed into a bona fide army. Institution of a system of general conscription would provide strong evidence that the force is being developed into an army. At present, recruiting is on a highly selective basis and stress is laid on political reliability.

If it were established that the MAMP and MAT are of equal and independent status (presently unknown), considerable weight would be given to the possibility that the paramilitary organizations are in process of conversion to orthodox defensive and offensive military forces.

In either eventuality, however, the GDR paramilitary forces are a constantly growing potential threat to West Germany and a more immediate threat to Berlin. The rapid increase in the military capabilities of the Alert Police raises more and more the possibility that they may yet be employed as a major instrument of Soviet military policy toward all of Germany.

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ENCLOSURE A

DISSENT OF THE INTELLIGENCE ORGANIZATION, DEPARTMENT OF STATE

The Intelligence Organization of the Department of State dissents from subject report because we cannot agree with the report's contention that reimposition of a Berlin blockade of the 1948 variety is unlikely. Available evi-

dence shows that the USSR may, through the agency of the East German administration, try to reimpose a land and water blockade. Otherwise we are in agreement with ORE 34-50.

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